

EXHIBIT A

IN THE CIRCUIT COURT OF COOK COUNTY
COUNTY DEPARTMENT, LAW DIVISION

FILED
12/6/2018 2:27 PM
DOROTHY BROWN
CIRCUIT CLERK
COOK COUNTY, IL
2018L013127

EDWARD LICEAGA)
)
) Ad Danum: \$94, 791.67
Plaintiff,)
v.)
)
JETSMARTER)
)
)
Defendant)

**COMPLAINT IN BREACH OF CONTRACT
FOR JUDGMENT OF ASSESSMENTS**

NOW COMES Plaintiff EDWARD LICEAGA ("LICEAGA") by and through his attorneys, Cervantes Chatt & Prince P.C., and complains of Defendant JETSMARTER stating as follows:

1. At all times relevant LICEAGA was a resident of Cook County, Illinois.
2. Upon information and belief, JETSMARTER is a corporation with principal offices in Fort Lauderdale, Florida
3. Upon information and belief, JETSMARTER conducts solicits and conducts business in Illinois.
4. The transaction of the parties was consummated in Illinois.
5. JETSMARTER markets itself as a company offering substantially discounted charter air travel to individuals.
6. In or about August of 2017, LICEAGA was contacted by a representative of JETSMARTER named DREW DOIDGE for the ostensible purpose of recruiting LICEAGA for renewing his membership and purchasing a more expensive JETSMARTER membership.

7. LICEAGA and DOIDGE exchanged several text messages regarding the features and pricing of the various levels of JETSMARTER. Printouts of the text messages are attached hereto as Exhibit "A."
8. DOIDGE represented to LICEAGA if he acted quickly and purchased a "Sophisticated Level" membership, he would be able to purchase three years worth of membership for less than the price of two.
9. Additionally the key terms of the offer from JETSMARTER according to DOIDGE were
 - a. A transferrable flight token;
 - b. \$50,000 in total flight credits which could be used in maximum \$6,000 increments per flight purchased;
 - c. Liceaga would be able to keep the existing credits he had for flights
10. DOIDGE informed LICEAGA that JETSMARTER was going to be changing the benefits of the Sophisticated Membership program and implied by purchasing then, LICEAGA would retain the benefits as they existed.
11. LICEAGA did in fact purchase the Sophisticated membership on or about September 20, 2017. The contract was executed by way of an app rather than a hard-copy which is attached hereto as Exhibit "B."
12. Upon information and belief, the JETSMARTER business model is built akin to well-known and established websites that offer hotels and rental cars at discounted prices from businesses with surplus vacancies or unrented cars.
13. JETSMARTER, so the story goes, takes advantage of various charter jet owner and operators have unused capacity or are many times forced to fly

empty jets between destinations because of the nature of private charter air travel.

14. In fact, there is a significant amount of unused capacity throughout the private air travel industry.
15. Whereas commercial airliners typically thousands of hours per year, the typical private jet rarely break a thousand flight hours per year and typically log about 500 hours per year, ostensibly creating the market opportunity for JETSMARTER.
16. Not surprisingly, JETSMARTER is often referred to as the “Uber” of air travel.
17. Upon information and belief, JETSMARTER does not own and/or operate the aircraft it books flights on but rather acts as a middleman.
18. The concept sold to may early customers of JETSMARTER, including Plaintiff, was that in exchange for paying a fixed amount, they would have access to on-demand private air charter travel at a discounted rate.
19. Early customers, such as LICEAGA were assured they were getting in on the ground level opportunity of the start of the company and their membership benefits would be protected as JETSMARTER grew.
20. An article on Forbes magazine dated August 17, 2018 highlighted the enticing aspects of the early JETSMARTER business model”

“JETSMARTER opened up private jet travel to a new level of customers with memberships under \$10,000 that offered unlimited free seats on private jets and even the entire jet for empty leg flights.”

Forbes Magazine, August 17, 2-18.

21. In fact, the business model of JETSMARTER has been questioned by sources such as Forbes as well as by those within the industry.
22. Under membership structure represented to LICEAGA by DOIDGE, there was a token system where members such as LICEAGA received four tokens to reserve the free seats. Each flight under three hours took one token for a seat. Longer flights required two tokens. After a flight, however many tokens a member used for that flight were returned to the member's account.
23. Better still, customers such as LICEAGA were initially to book flights through JETSMARTER for their exclusive use.
24. Given charter air flights can cost routinely cost anywhere from \$5,000 to \$18,000 per hour, the program pitched to LICEAGA seemed like a great value.
25. To sweeten the offer, customers such as LICEAGA were offered perks like complimentary helicopter charter rides and high-end meals.
26. As part of their early-on marketing efforts, JETSMARTER recruited celebrities such as Kim Kardashian, Fergie, Petra Nemova, and Jay-Z as "influencers."
27. Relying on the representations of DOIDGE and JETSMARTER, LICEAGA was under the impression that in exchange for the fees he paid for Sophisticated membership, all flights her reserved through JETSMARTER were included in his membership.
28. After purchasing the Sophisticated membership, LICEAGA did in fact book flights through JETSMARTER.

29. But in or about in or about October of 2017, when attempting to book a flight through the JETSMARTER app, LICEAGA was unable to book a flight as he usually did.
30. Thereafter, LICEAGA contacted DOIDGE to inquire as to why he was unable to use his account as expected.
31. DOIDGE informed him JETSMARTER modified the terms and conditions under which he could use the service.
32. Previous to signing up for a sophisticated membership, based on DOIDGE's representations in August of 2017, LICEAGA was promised that, in exchange for payment of \$97,500, he would have a total of \$50,000 of guaranteed back in flight credits. (See Exhibit "A.")
33. When LICEAGA confronted DOIDGE regarding the inability to use his JETSMARTER membership as promised, DOIDGE informed LICEAGA that members such as LICEAGA whose memberships began before April 17, 2017 were on the "old payment system" but after the membership "renewed after April 10, 2018 such members were transferred to the "new payment system" under which JETSMARTER raised the fees for flights.
34. When LICEAGA confronted DOIDGE about the change, DOIDGE explained to LICEAGA he could still use his credits for certain flights JETSMARTER offered all of which amounted to a "better-than-nothing" explanation.
35. Based upon the changing and confusing explanations of DOIDGE and other JETSMARTER agents, it seems JETSMARTER changed the terms of usage for flights of longer than three hours.

36. According to various news sources, LICEAGA is not alone. It has been alleged that other dissatisfied JETSMARTER customers who have posted their grievances on online chat sites have had their memberships unilaterally cancelled by JETSMARTER.
37. Additionally, also according to news sources, a magazine named “Verge” which was covering JETSMARTER requested a demo shuttle ride from JETSMARTER was allegedly informed by JETSMARTER that the reporter would be charged \$2,000 for the flight if a positive review wasn’t published within five business days of the flight.
38. Based on explanations from DOIDGE and other JETSMARTER agents, JETSMARTER has used the terms and conditions portion of the agreement to completely change the benefit of the bargain paid for by LICEAGA and other customers similarly situated like him.
39. Upon information and belief, JETSMARTER used early customers such as LICEAGA and those similarly situated like him and the fees they received from them to finance an unsustainable business model and entice future customers to grow revenue and ultimately change the conditions under which customers such as LICEAGA could redeem their pre-purchased flight credits.

**COUNT I-VIOLATION OF THE ILLINOIS CONSUMER FRAUD AND
DECEPTIVE PRACTICES ACT 815 ILCS 505 et seq.**

40. LICEAGA revaers and reincorporates paragraphs one though 39 as though fully restated herein this paragraph.
41. JETSMARTER was involved in trade and commerce within the State of Illinois at all times relevant.

42. At all times relevant, there was in existence, a certain statute known as the Illinois Consumer Fraud and Deceptive Practices Act. (815 ILCS 505 et seq.)
43. JETSMARTER made numerous representations to LICEAGA with the intention that LICEAGA rely in such representations.
44. LICEAGA did in fact rely on those representations.
45. LICEAGA was damaged by the loss of the benefit of the bargain as agreed to by the parties.
46. As a result of the unilateral change in price and use of tokens by customers such as LICEAGA, a loss of approximately \$94,791.67 in unrealized travel benefits was incurred by LICEAGA.

WHEREFORE, Plaintiff Edward Liceaga respectfully request this Honorable Court enter judgment in his favor and against Defendant Jetsmarter Inc in the amount of \$94,791.67, an award of punitive damages, an award of attorneys fees and costs and for any further relief this Court deems just.

COUNT II COMMON LAW FRAUD (PLED IN THE ALTERNATIVE)

47. LICEAGA revaers and reincorporates paragraphs one though 39 as though fully restated herein this paragraph.
48. JETSMARTER made numerous representations to LICEAGA with the intention that LICEAGA rely in such representations.
49. LICEAGA did in fact rely on those representations.
50. LICEAGA was damaged by the loss of the benefit of the bargain as agreed to by the parties.
51. As a result of the unilateral change in price and use of tokens by customers such as LICEAGA, a loss of approximately \$94,791.67 was incurred by LICEAGA.

WHEREFORE, Plaintiff Edward Liceaga respectfully request this Honorable Court enter judgment in his favor and against Defendant Jetsmarter Inc in the amount of \$94,791.67, an award of fees and costs and for any further relief this Court deems just.

Cervantes Chatt & Prince P.C.

Attorney's for Plaintiff

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Cook County# 61530



Attorney For Plaintiff

with our multi-year renewal discount and get up to \$60,000 in flight credit. The current discount structure changes on August 31st, so reply here today to get the maximum savings

15:02

25 AUG 2017

Yo what's the deal for the corporate terms and benefits?

14:17

\$2,000 per month and holds up to 10 people on account. In addition, you are required to make a deposit of \$50,000 on account which can be used to pay per seat on shuttle flights at a 30% discount. There are no tokens associated with the corporate membership

14:40

26 AUG 2017

Hey boss I'm willing to do the 3 year deal if u can throw in the 1 token membership for me, if but I need u to be able to cancel her if

EXHIBIT "A"

my gr but I need u to be able to cancel her ||
things don't work out and let me me transfer
to someone. I don't want to go they the
same bs like I did wth my ex fiancé

13:27

Hey Ed, let me seek approval for this and I'm
happy to offer it. Would you like to do the 3-
year extension for \$97,500 and \$60k back
in credits or the prorated 3-year option with
\$40k back in credits?

13:33

Thanks What's the prorated ?

13:43

No problem. If you did it today, you'd pay
about \$73,500 with \$40,000 back in flight
credits. You can use \$6k maximum of
credits at a time towards any in-app
purchase

13:45

Ok let me talk to my biz partner

am unable to offer a free Smart membership. However, here is what I'm able to offer if you choose to proceed with the 3-year Sophisticated membership that will be ending August 31. 1.) A free Simple (1 token membership) with the ability to transfer it as a one-time courtesy if things do not work out. 2.) \$60,000 flight credits upfront with the ability to use \$6,000 maximum one a single purchase. 3.) The \$16,700 credits you have on account will carry over. By proceeding with this 3-year membership promotion for \$97,500, not only will you be saving yourself \$37,500 over the next 3-years, but you are guaranteeing \$60,000 back in flight credits. Due to the institutional funding we recently received, the membership pricing and flight credit bonus will be adjusting. Flight credits will no longer be offered for Sophisticated members upon renewal or as a sign up bonus by the end of this year. For \$97,500, you will have \$76,700 credits on account and your membership will be active until 2020. Let me know your thoughts!

08:21

or \$97,500 with \$60,000 guaranteed back in flight credits rather than \$150,000 and no guaranteed flight credits.

14:01

There's still more to see in total 5 years of experience. The first two years of 1400 hours of flight credits. The next two years of 1400 hours of flight credits. The next two years of 1400 hours of flight credits. The next two years of 1400 hours of flight credits.

in which the two for the corporate terms and conditions?

1400 hours of flight credits. The next two years of 1400 hours of flight credits. The next two years of 1400 hours of flight credits. The next two years of 1400 hours of flight credits.

See aug 22 what's the cost for 3 years of the price less than 2?

14:03

I just explained. 2 years of Sophisticated would be \$100,000.

14:04

Ok now it's clear to me

14:07

Sounds good. I apologize for any confusion.

14:10

proceeding with the 3-year sophisticated offer that expires tomorrow. Let's chat tomorrow to discuss.

18:42

31 AUG 2017

I want to move forward but I may have to be in PR 60 days to get the tax advantage and be required to be there 245 days a yr for 2018 and 2019 if I do it. Can u give me until 9/18 to do it. I'm happy to escrow the funds to proove I'm serious to sign up?

19:27

Ed, I completely understand man, and unfortunately my hands are tied with extending this promotion. With the round of institutional funding we received, our system has become completely automated and I'm unable to adjust invoices and extend promotions past the deadline. Our investors see the cost of each membership acquired and every discount that is given. It's more difficult than just getting upper management approval to extend promotions. There's no way you're able to

paid a huge premium versus the new memberships program you do now?

07:04

Hi Mr. Liceaga, I hope all is well. I would be happy to look into this for you. Would you mind specifying the route into Los Angeles, so I can better assist you with the pricing? - Brandon

07:14

Chicago to Los Angeles

07:20

Thank you for your patience as we looked into this. Since the flight is over 3 hours there is a premium associated with it. However, due to our dynamic pricing we have allowed Sophisticated members to apply 2 tokens to this flight to offset the cost of the premium. Please let me know if you have any questions. -Brandon

07:29

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37. Additionally, also according to news sources, a magazine named “Verge” which was covering JETSMARTER requested a demo shuttle ride from JETSMARTER was allegedly informed by JETSMARTER that the reporter would be charged \$2,000 for the flight if a positive review wasn’t published within five business days of the flight.
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availability on the supply and you can cancel outside of 24 hours. Keep in mind, you've saved yourself close to \$45,000 by having the ability to cancel as a Sophisticated member.

12:12

I'll let you guys keep telling yourselves that while u all are laughing at how we keep getting empty promises

12:17

I spoke with Antonio and he has no record that you referred Jason to JetSmarter. I see Jason signed up with another sales rep last month under a family plan, but in order to receive referral credit, there needs to be documentation prior to sale (either via email introduction or by sharing your invite code through the app).

12:39

Hi Antonio

turns out, All Smart and Sophisticated members, whose membership start before April 17, 2017, were ion the old payment system, where the first seat on the route CHI-LA was free for 1 token. After the membership renewal (after April 10, 2018 for you), the member is automatically transferred to the new payment system where the first seat for flights more than 3 hours is 1 token + money or free for 2 tokens. Since you currently only have 1 token available, there will be a cost to the fly on the CHI-LA flight.

12:00

Every day new bs

12:05

Does it every end where I stop getting screwed?

12:05

No helicopter no catering , now extra charges. I have no idea why I did this

FILED DATE: 12/6/2018 2:27 PM 2018.013127

INTRODUCING OUR SOPHISTICATED MEMBERSHIP PLAN

YOUR LIFESTYLE DEMANDS
A HIGHER LEVEL OF FLEXIBILITY.

WE HAVE THE ANSWER.

That's why we are pleased to offer you even more ways to benefit from our innovation - all at a level of sophistication that makes it easy to reduce your reliance on expensive jet cards and fractional ownership.

This is flying private, perfected.

SOPHISTICATED MEMBERSHIP BENEFITS:

Annual membership fee

\$50,000

Book on-demand shared
and private flights at guaranteed
lowest pricing



Four tokens for long-haul

FILED DATE: 12/6/2018 2:27 PM 20181013127

15% discount on flight creation
between high-frequency routes



Priority in-app booking visibility
for posted routes
and empty-leg deals



Discounted companion seats
on posted routes
and empty-leg deals



Free cancellations on posted
routes and empty-leg flights
up to 24 hours before takeoff ⁽⁵⁾



Priority seating and boarding
on posted routes ⁽²⁾



Book seats on posted routes
and on-demand flights
for unaccompanied non-members
⁽³⁾



Gift seats on complimentary
empty-leg deals
to unaccompanied
non-members ⁽⁴⁾



Complimentary helicopter
transfers in select cities ⁽⁶⁾



24/7 Concierge Service



ANNUAL MEMBERSHIP
(FIRST YEAR) \$50,000.00

ANNUAL MEMBERSHIP
(SECOND YEAR) \$50,000.00

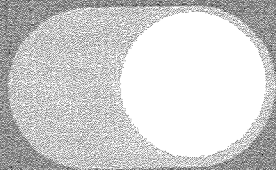
ANNUAL MEMBERSHIP
(THIRD YEAR) \$50,000.00

SUBTOTAL \$150,000.00

PURCHASE 3-YEARS
UPFRONT DISCOUNT -\$52,500.00

\$50,000 FLIGHT CREDIT
BONUS —

TOTAL \$97,500.00



I ACCEPT TERMS AND CONDITIONS OF THE
MEMBERSHIP AGREEMENT

BUSINESS NAME

PHONE NUMBER

13128337088

EMAIL

eliceaga@gmail.com

ADDRESS

THE ABOVE PERSON OR ENTITY IS HEREBY
REFERRED TO AS "THE MEMBER".

BY REMITTING THE AMOUNT DUE UNDER
THIS INVOICE AND ACCEPTING THE TERMS
AND CONDITIONS OF THE MEMBERSHIP
AGREEMENT, MEMBER WILL PURCHASE
JETSMARTER'S SERVICE. THIS INVOICE IS
VALID FOR 3 BUSINESS DAYS FROM THE
ISSUE DATE.